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**STATE OF MISSISSIPPI
SECRETARY OF STATE
ERIC CLARK**

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June 22, 2007

LETTER OF CAUTION

Mr. Israel Grafstein
Citigroup Global Markets, Inc.
485 Lexington Avenue, 14th Floor
New York, New York 10017

RE: Citigroup Global Markets, Inc.
File No. S-07-0039

Dear Mr. Grafstein:

The Business Regulation and Enforcement Division of the Office of the Secretary of State of the State of Mississippi (hereinafter "Division"), on behalf of the Secretary of State, having the power to administer and to enforce the provisions of the Mississippi Securities Act, Miss. Code Ann. §75-71-101 et seq. hereby issues this Letter of Caution to Citigroup Global Markets, Inc. (hereinafter "CGMI").

Parties

1. Eric Clark is the duly elected Secretary of State for the State of Mississippi.
2. Citigroup Global Markets, Inc. (CRD # 7059) is an investment adviser firm which at all times relevant herein, according to the Central Records Depository

and the records of the Division, was registered as an investment adviser in the State of Mississippi.

Jurisdiction

3. The parties herein acknowledge and confess to the jurisdiction of the Secretary of State as to the parties and the subject matter of this Letter of Caution.

Facts

4. The following CGMI representatives are arguably performing investment advisory services in Mississippi:

James Bays (CRD # 2399585), Francis Biedenharn (CRD # 1201311), William Byrne (CRD # 2686955), Marion Cade (CRD # 1247610), Mark Creel (CRD # 2191409), Wayne Dawson, Jr. (CRD # 1063449), Michael E. Dowell (CRD # 839677), Melanie W. Dowell (CRD # 718148), Brian Fenelon (CRD # 1255663), Louis Frascogna (CRD # 1080477), Hugh Gates (CRD # 5203846), Mark Green (CRD # 2206126), Gerard Guercia (CRD # 2308492), Thomas Guillot (CRD # 1943520), Joseph Hurston (CRD # 2693861), Christopher Inman (CRD # 4285245), Scott Jones (CRD # 1420784), Richard Lawrence (CRD # 1514875), Richard Moore (CRD # 1854711), Theo Penton (CRD # 830044), Scott Polk (CRD # 2710631), Sean Priebe (CRD # 4610597), Kerry Ricks (CRD # 1201082), William Roberson (CRD # 3035099), T. S. Robertson (CRD # 2366793), Clarence Rutledge (CRD # 4939715), Robert Simmons (CRD # 4573817), John Sumner (CRD # 4194747), Steven Taylor (CRD # 2649262), Brian Watts (CRD # 48674444), Robert Wiggins (CRD # 1368106), Steve Wyatt (CRD # 2522129), and Hilary J. Zimmerman (CRD # 2191841).

5. None of these CGMI representatives are currently registered with the Division.
6. Of the representatives listed above, Francis Biedenharn (CRD # 1201311), Marion Cade (CRD # 1247610),

Wayne Dawson, Jr. (CRD # 1063449), Thomas Guillot (CRD # 1943520), and Robert Wiggins (CRD # 1368106) are not currently eligible to be registered as they have not previously passed the Series 65 examination or, in combination, the Series 7 and Series 66 examinations.

Jurisdiction

7. CGMI acknowledges that it incorrectly identified Mississippi as a state that did not require registration of individual investment adviser representatives. CGMI further acknowledges that this was an oversight for which the individual representatives are not responsible.

On the basis of the above, the Division hereby issues this **LETTER OF CAUTION** to CGMI and cautions that such actions as described in the Facts above may be considered to be violations of CGMI's duty to register its agents pursuant to Miss. Code Ann. § 75-71-303(b).

Requirements & Agreements

The Division and CGMI hereby agree to the following:

7. CGMI will comply with the Mississippi Securities Act and Rules promulgated thereunder.
8. CGMI agrees to pay to the "Mississippi Secretary of State" Seventy-five Thousand Dollars (\$75,000.00) upon acknowledgement of this Letter of Caution.
9. Within fifteen (15) business days from the date of this letter, CGMI will register its investment advisers with offices located in the State of Mississippi who have passed either the Series 65 examination or, in combination, the Series 7 and Series 66 examinations, and that are providing investment adviser services in Mississippi.

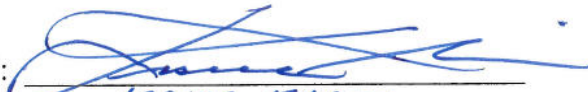
10. CGMI agrees that the Francis Biedenharn, Marion Cade, Wayne Dawson, Jr., Thomas Guillot, and Robert Wiggins will schedule, take, and pass the appropriate examination(s) necessary to register with the Division on or before August 1, 2007.
11. The Division agrees not to impose any sanctions against any of the individual representatives of CGMI listed in paragraph number 4 for investment advisory services, if any, provided prior to August 1, 2007.
12. CGMI agrees to undertake measures designed to ensure that all individuals performing investment advisory services in Mississippi and required to be registered under the Mississippi Securities Act and Securities Act Rules shall comply with same.

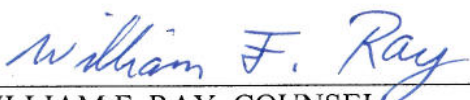
The parties herein acknowledge that they have read the terms of this Letter of Caution, which is complete, and they agree to comply with all the terms herein. The parties further agree that any change, modification, or alteration of this document may only be done in writing agreed to by all parties.


ERIC CLARK
Secretary of State

BY: 
PATRICIA MELVIN
Senior Attorney
Business Regulation and Enforcement

CITIGROUP GLOBAL MARKETS, INC.

BY: 
LESLIE KLEIN
TITLE: MANAGING DIRECTOR
DATE: 7/10/05


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